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PART I

Punjab Government Notifications and Orders

GOVERNMENT OF PUNJAB

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

(HOUSING II BRANCH)

NOTIFICATION

The 17th July, 2019

No. 17/17/01-5HG2/1525311/1.-Whereas the Department of Housing and Urban Development has been making consistent efforts in order to boost the organized real estate sector in the State of Punjab by making approvals and other processes for development of a colony under Punjab Apartment and Property Regulation Act, 1995 by private promoters simple and quicker.

2. Whereas it has been observed that certain Projects are stuck mid way or attain slow progress in terms of development due to the lack of inflow of adequate financial resources into the Project by the Promoter from own sources or from the sale of properties.

3. Whereas the Department is desirous of tackling the problem of reviving such projects by allowing one or more Promoters to enter into a Project. Thus, in order to promote licensed colonies in the state of Punjab, the Governor of Punjab is pleased to allow the addition of promoters in a project licensed under the Punjab Apartment and Property Regulation Act, 1995 subject to certain conditions as per the following policy guidelines:-

Policy Guidelines:-

Addition of **maximum two** promoters may be allowed to an already existing licensed project as per the following procedure subject to fulfilment of certain conditions:-

- I. The Promoter who had obtained the license to develop a colony shall make an application along with justification for the need to add a promoter into a licensed project.
- II. The promoter shall also submit a consent from the new promoter to join an ongoing project licensed under the Punjab Apartment and Property Regulation Act, 1995.
- III. The existing promoter shall provide the list of allottees in the project. In case no third party rights are created in the colony by way of sale of plots, an affidavit to the said effect shall also be submitted to the Authority along with the application.

- IV. The application for addition of promoter shall be examined by the Competent Authority, who shall after due consideration of facts including but not limited to the examination of the capacity of the new promoter/s to execute a project as per the procedure at the time of the grant of license, allow or disallow the addition of promoters to an ongoing project. The promoter to be added shall prove adequate financial resources to the tune of at least 10 per cent of the project cost. Provided that no orders for disallowing the addition of promoter/s shall be passed without allowing the promoter an opportunity of being heard.
- V. The addition of promoters shall attract an Administrative Charge on per acre basis equivalent to license renewal fee per acre/per year as notified by the Government from time to time.

Conditions :-

- a) The promoter who was granted the license to develop a colony at first instance shall not be allowed to exit the project.
- b) The new promoter/s should have a registration certificate as a promoter under section 21 of Punjab Apartment and Property Regulation Act, 1995.
- c) In case the promoter/s to be added has any already approved projects in the Development Authorities then the status of such projects shall be brought on record for consideration of the Competent Authority before taking a decision for allowing the addition of such promoter/s to the existing project.
- d) Once the addition of promoter/s is approved in principle, the promoters shall clear the overdue amount towards the State/ Authority within 60 days from communication of in principle approval. The final permission for addition of promoter shall be provided upon clearance of overdue amount.
- e) The Authority at the cost of promoter shall invite objections for a period of 30 days regarding addition of promoter from the allottees, if any, through public notice as well as notice under registered cover to the list of allottees of the project, however, limited to objection on addition of promoter/s only. The addition of the new promoter/s shall be approved subject to decision on the said objections by the Competent Authority.
- f) Once in-principle approval has been granted, the promoter shall intimate all the stakeholders including allottees about the details of added promoter/s to the project by way of public notice as well as registered post. The final approval shall be granted after such intimation has been duly made. The promoter shall also provide an affidavit stating that he has informed all the stakeholders through registered post.
- g) The promoter/s of the project shall provide an affidavit to indemnify the Authority against any claims arising against the State/Authority arising on account of addition of promoters to the ongoing project.
- h) The promoter/s shall enter into an agreement with the Competent Authority :-
 - To be jointly and severally liable for carrying out the development works in accordance with the conditions of the license.
 - To be jointly and severally liable for payment of development charges for external development works carried out or to be carried out by the Government or local Authority.
- i) The promoter/s shall also provide an undertaking that :-
 - They shall be jointly and severally liable towards fulfilment of all the obligations against plots/ apartments already sold/allotted by the original promoter of the project.
 - They shall be jointly and severally liable for payment of all kinds of dues towards the State/ Development Authority.

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- The title of project land shall be obtained in the name of either of the promoter/s within the time limit prescribed in the license.
 - The addition of any area in the project shall be done only for such land, ownership of which is held by either of the promoter/s only and not on consent basis.
 - They shall comply with and be regulated by the provisions of the Punjab Apartments and Property Regulations Act, 1995 and rules formulated there under as amended from time to time
- j) The addition of promoter/s shall be subject to obtaining necessary approval from Real Estate Regulatory Authority, Punjab for addition of promoter. The promoter shall not make any fresh sale in the project before necessary approvals from Real Estate Regulatory Authority, Punjab.
- k) The addition of promoters shall not lead to any change in the terms and conditions of the license and the validity period of the license.

Chandigarh
The 4th July, 2019

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